



3015 (02-09-04)

ANNUAL REPORT

OF

Name: MERCER SANITARY DISTRICT NUMBER ONE

Principal Office: P.O. BOX 660
MERCER, WI 54547

For the Year Ended: DECEMBER 31, 1997

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
 FINANCIAL SECTION	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Balance Sheet	F-05
Net Utility Plant	F-06
Accumulated Provision for Depreciation and Amortization of Utility Plant	F-07
Net Nonutility Property (Accts. 121 & 122)	F-08
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-09
Materials and Supplies	F-10
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-11
Capital Paid in by Municipality (Acct. 200)	F-12
Bonds (Acct. 221)	F-13
Notes Payable & Miscellaneous Long-Term Debt	F-14
Taxes Accrued (Acct. 236)	F-15
Interest Accrued (Acct. 237)	F-16
Contributions in Aid of Construction (Account 271)	F-17
Balance Sheet End-of-Year Account Balances	F-18
Return on Rate Base Computation	F-19
Return on Proprietary Capital Computation	F-20
Important Changes During the Year	F-21
Financial Section Footnotes	F-22
 WATER OPERATING SECTION	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Acct. 408 - Water)	W-06
Water Utility Plant in Service	W-08
Source of Supply, Pumping and Purchased Water Statistics	W-10
Sources of Water Supply - Ground Waters	W-11
Sources of Water Supply - Surface Waters	W-12
Pumping & Power Equipment	W-13
Reservoirs, Standpipes & Water Treatment	W-14
Water Mains	W-15
Water Services	W-16
Meters	W-17
Hydrants and Distribution System Valves	W-18
Water Operating Section Footnotes	W-19

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MERCER SANITARY DISTRICT NUMBER ONE**Utility Address:** P.O. BOX 660
MERCER, WI 54547**When was utility organized?** 1/1/1965**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MICHAEL FASSINO**Title:** PRESIDENT**Office Address:**P.O. BOX 660
MERCER, WI 54547**Telephone:** (715) 476 - 3575**Fax Number:** (715) 476 - 3575**E-mail Address:**

Individual or firm, if other than utility employee, preparing this report:

Name: STEVEN R METZ CPA**Title:** MANAGER**Office Address:** WIPFLI ULLRICH BERTELSON LLPP.O. BOX 127
MINOCQUA, WI 54548**Telephone:** (715) 356 - 9585**Fax Number:** (715) 356 - 1764**E-mail Address:**

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: STEVEN R METZ CPA**Title:** MANAGER**Office Address:** WIPFLI ULLRICH BERTELSON LLPP.O. BOX 127
MINOCQUA, WI 54548**Telephone:** (715) 356 - 9585**Fax Number:** (715) 356 - 1764**E-mail Address:****Date of most recent audit report:** 3/9/1998**Period covered by most recent audit:** DECEMBER 31, 1997

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: RANDALL R BALDAUF**Title:** OPERATOR**Office Address:**P.O. BOX 660
MERCER, WI 54547**Telephone:** (715) 476 - 3575**Fax Number:** (715) 476 - 3575**E-mail Address:**

Name of utility commission/committee:

Names of members of utility commission/committee:MICHAEL FASSINO, PRESIDENT
THOMAS THOMPSON, COMMISSIONER
RICHARD WILLIAMS, COMMISSIONER

Is sewer service rendered by the utility? YES

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? YES

Date of Ordinance: 1/1/1965Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:**Contact Person:****Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	153,194	120,479	1
Operating Expenses:			
Operation and Maintenance Expense (401)	87,363	87,841	2
Depreciation Expense (403)	25,607	20,924	3
Amortization Expense (404)	0		4
Taxes (408)	2,489	2,281	5
Total Operating Expenses	115,459	111,046	
Net Operating Income	37,735	9,433	
Income from Utility Plant Leased to Others (412-413)	0		6
Utility Operating Income	37,735	9,433	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0		7
Nonoperating Rental Income (418)	0		8
Interest and Dividend Income (419)	52,982	65,994	9
Miscellaneous Nonoperating Income (421)	192,093	30,144	10
Total Other Income	245,075	96,138	
Total Income	282,810	105,571	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0		11
Other Income Deductions (426)	0		12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	282,810	105,571	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	112,280	115,232	13
Amortization of Debt Discount and Expense (428)	3,883	6,172	14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0		16
Other Interest Expense (431)	0		17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	116,163	121,404	
Net Income	166,647	(15,833)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(432,435)	(416,602)	19
Balance Transferred from Income (433)	166,647	(15,833)	20
Miscellaneous Credits to Surplus (434)	0		21
Miscellaneous Debits to Surplus--Debit (435)	0		22
Appropriations of Surplus--Debit (436)	0		23
Appropriations of Income to Municipal Funds--Debit (439)	0		24
Total Unappropriated Earned Surplus End of Year (216)	(265,788)	(432,435)	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST FROM BANK AND LGIP	11,132	4
SPECIAL ASSESSMENT INTEREST	41,850	5
Total (Acct. 419):	52,982	
Miscellaneous Nonoperating Income (421):		
NON REGULATED SEWER	192,093	6
Total (Acct. 421):	192,093	
Miscellaneous Amortization (425):		
NONE		7
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		8
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		9
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		10
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		11
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		12
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	153,194	0	0	0	153,194	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	153,194	0	0	0	153,194	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,996,342	1,713,921	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	373,752	348,257	2
Net Utility Plant	1,622,590	1,365,664	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	5,173,843	4,275,351	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	142,250	103,174	4
Net Nonutility Property	5,031,593	4,172,177	
Investment in Municipality (123)	0		5
Other Investments (124)	556,317	623,957	6
Special Funds (125)	96,862	344,586	7
Total Other Property and Investments	5,684,772	5,140,720	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	294,501	60,504	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0		10
Customer Accounts Receivable (142)	8,838	9,271	11
Other Accounts Receivable (143)	14,356	121,919	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	67,284	47,165	14
Materials and Supplies (150)	5,278	8,844	15
Prepayments (165)	6,553	4,684	16
Other Current and Accrued Assets (170)	39,873	42,463	17
Total Current and Accrued Assets	436,683	294,850	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	18,302	22,185	18
Extraordinary Property Losses (182)	0		19
Other Deferred Debits (183)	0	1,172,337	20
Total Deferred Debits	18,302	1,194,522	
Total Assets and Other Debits	7,762,347	7,995,756	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	69,708	49,708	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	(265,788)	(432,435)	23
Total Proprietary Capital	(196,080)	(382,727)	
LONG-TERM DEBT			
Bonds (221)			24
Advances from Municipality (223)	0		25
Other long-Term Debt (224)	2,127,601	2,220,582	26
Total Long-Term Debt	2,127,601	2,220,582	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0		27
Accounts Payable (232)	8,425	118,520	28
Payables to Municipality (233)	0		29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	18,172	40,568	32
Other Current and Accrued Liabilities (238)	6,106	4,571	33
Total Current and Accrued Liabilities	32,703	163,659	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0		34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0		36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	5,798,123	5,994,242	38
Total Liabilities and Other Credits	7,762,347	7,995,756	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	1,996,342	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	1,996,342	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	373,752	0	0	0	9
Total Accumulated Provision	373,752	0	0	0	
Net Utility Plant	1,622,590	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	348,257				348,257	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	25,607				25,607	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	25,607	0	0	0	25,607	13
Debits during year						14
Book cost of plant retired	112				112	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	112	0	0	0	112	19
Balance End of Year	373,752	0	0	0	373,752	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	4,275,351	892,815	112	5,168,054	1
Other (specify):					
CONSTRUCTION IN PROGRESS		5,789		5,789	2
Total Nonutility Property (121)	4,275,351	898,604	112	5,173,843	
Less accum. prov. depr. & amort. (122)	103,174	39,188	112	142,250	3
Net Nonutility Property	4,172,177	859,416	0	5,031,593	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)
Balance first of year	1
Additions:	
Provision for uncollectibles during year	2
Collection of accounts previously written off: Utility Customers	3
Collection of accounts previously written off: Others	4
Total Additions	<u>0</u>
Deductions:	
Accounts written off during the year: Utility Customers	5
Accounts written off during the year: Others	6
Total accounts written off	<u>0</u>
Balance end of year	<u><u>0</u></u>

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	1
Other					0	2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	4,893	7,729	2
Sewer utility	385	1,115	3
Gas utility			4
Merchandise			5
Other materials & supplies			6
Total Materials and Supplies	<u>5,278</u>	<u>8,844</u>	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
ISSUE COSTS OF 4-96 BOND	3,640	428	11,831	1
ISSUE COSTS OF DNR CLEAN WATER BOND	125	428	2,104	2
ISSUE COSTS OF FMHA BOND	118	428	4,367	3
Total			18,302	
Unamortized premium on debt (251)				
NONE				4
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	49,708	1
Changes during year (explain):		
1997 DEBT LEVY	20,000	2
Balance end of year	69,708	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
FMHA BOND	01/23/1995	01/01/2035	5.00%	449,700	1
N/P ASSOCIATED BANK - 97	07/19/1997	07/15/2002	6.00%	44,570	2
N/P ASSOCIATED BANK -90	12/28/1990	12/31/2000	8.00%	9,633	3
N/P ASSOCIATED BANK -93	02/08/1993	01/15/1998	6.00%	20,924	4
N/P ASSOICATED BANK -92	07/14/1992	04/15/1997	6.00%	0	5
W/S REVENUE NOTES 4/96	04/01/1996	04/01/2001	4.00%	865,000	6
DNR CLEAN WATER LOAN	07/27/1994	05/11/2014	6.00%	737,774	7
Total for Account 224				<u>2,127,601</u>	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	2,489	2
Charged electric department expense		3
Charged sewer department expense	2,618	4
Other (explain):		
NONE		5
Total Accruals and other credits	5,107	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	4,915	7
PSC Remainder Assessment	192	8
Other (explain):		
NONE		9
Total payments and other debits	5,107	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE				0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE				0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
FMHA BOND	0	22,795	22,795	0	3
DNR CLEAN WATER LOAN	7,375	43,277	43,520	7,132	4
W/S REVENUE NOTES 4/96	32,147	41,249	63,218	10,178	5
N/P ASSOCIATED BANK - 93	330	1,460	1,505	285	6
N/P ASSOCIATED BANK - 90	0	844	844	0	7
N/P ASSOCIATED BANK - 92	716	1,290	2,006	0	8
N/P ASSOCIATED BANK - 97		1,308	731	577	9
COPIER LEASE		57	57	0	10
Subtotal	40,568	112,280	134,676	18,172	
Notes Payable (231)					
NONE				0	11
Subtotal	0	0	0	0	
Total	40,568	112,280	134,676	18,172	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	962,146			5,032,096		5,994,242	1
Add credits during year:							
For Services	3,450			1,460		4,910	2
For Mains						0	3
Other (specify):							
SPECIAL ASSESSMENT REVISIONS	200					200	4
REVISION OF PRIOR CONSTRUCTION COSTS	6,860					6,860	5
Deduct charges (specify):							
AMORTIZATION OF CONSTRUCTION GRANT	15,665			187,744		203,409	6
SPECIAL ASSESSMENT REVISIONS				4,680		4,680	7
Balance End of Year	956,991	0	0	4,841,132	0	5,798,123	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	641,904			4,174,195		4,816,099	8

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
WATER SPECIAL ASSESSMENTS	101,700	2
SEWER SPECIAL ASSESSMENTS	454,617	3
Total (Acct. 124):	556,317	
Special Funds (125):		
FMHA DEPRE SINKING FUND	11,531	4
DNR DEPRE SINKING FUND	28,739	5
FMHA DEBT SINKING FUND	18,939	6
DNR DEBT SINKING FUND	37,653	7
Total (Acct. 125):	96,862	
Notes Receivable (141):		
NONE		8
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	8,838	9
Electric		10
Sewer (Regulated)		11
Other (specify):		
NONE		12
Total (Acct. 142):	8,838	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	12,852	13
Merchandising, jobbing and contract work		14
Other (specify):		
MISC RECEIVABLES	1,504	15
Total (Acct. 143):	14,356	
Receivables from Municipality (145):		
TOWN OF MERCER	67,284	16
Total (Acct. 145):	67,284	
Prepayments (165):		
PREPAID INSURANCE	6,553	17
Total (Acct. 165):	6,553	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)
Extraordinary Property Losses (182):	
NONE	18
Total (Acct. 182):	0
Other Deferred Debits (183):	
NONE	19
Total (Acct. 183):	0
Payables to Municipality (233):	
NONE	20
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	21
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	1,583,019	0	0	0	1,583,019	1
Materials and Supplies	6,311	0	0	0	6,311	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	361,004	0	0	0	361,004	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	959,568	0	0	0	959,568	6
Other (specify):					0	7
Average Net Rate Base	268,758	0	0	0	268,758	
Net Operating Income	37,735	0	0	0	37,735	8
Net Operating Income as a percent of						
Average Net Rate Base	14.04%	N/A	N/A	N/A	14.04%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	59,708	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	(349,111)	3
Other (Specify):		4
Total Average Proprietary Capital	(289,403)	
Net Income		
Net Income	166,647	5
Percent Return on Proprietary Capital	N/A	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

THE DISTRICT CAPITALIZED ITS WATER AND SEWER CONSTRUCTION PROJECTS WHICH HAD BEEN IN OPERATION SINCE 1995. ALL PIPE, METERS, HYDRANTS AND SERVICES WERE REPORTED IN PREVIOUS PSC REPORTS IN RESPECTIVE YEARS OF INSTALLATION.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

NONE

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	130,375	1
Total Sales of Water	130,375	
Other Operating Revenues		
Forfeited Discounts (470)	237	2
Other Water Revenues (474)	6,917	3
Amortization of Construction Grants (475)	15,665	4
Total Other Operating Revenues	22,819	
Total Operating Revenues	153,194	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	41,165	5
General Operating Expenses (680-690)	46,198	6
Total Operation and Maintenance Expenses	87,363	
Other Operating Expenses		
Depreciation Expense (403)	25,607	7
Amortization Expense (404)		8
Taxes (408)	2,489	9
Total Other Operating Expenses	28,096	
Total Operating Expenses	115,459	
NET OPERATING INCOME	37,735	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	208	6,118	43,687	4
Commercial	76	7,276	33,550	5
Industrial	8	1,904	6,786	6
Total Metered Sales to General Customers (461)	292	15,298	84,023	
Private Fire Protection Service (462)	1		1,116	7
Public Fire Protection Service (463)	1		41,333	8
Other Sales to Public Authorities (464)	10	797	3,903	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	304	16,095	130,375	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	41,333	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	41,333	
Forfeited Discounts (470):		
FORFEITED DISCOUNTS	237	5
Total Forfeited Discounts (470)	237	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		6
Other (specify):		
OTHER WATER REVENUES	5,717	7
MISCELLANEOUS WATER REVENUE	1,200	8
Total Other Water Revenues (474)	6,917	
Amortization of Construction Grants (475):		
AMORTIZATION OF FMHA GRANT	15,665	9
Total Amortization of Construction Grants (475)	15,665	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	26,810	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	6,482	3
Chemicals (630)	1,987	4
Supplies and Expenses (640)	1,288	5
Repairs of Water Plant (650)	3,056	6
Transportation Expenses (660)	1,542	7
Total Plant Operation and Maintenance Expenses	41,165	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	7,444	8
Office Supplies and Expenses (681)	6,025	9
Outside Services Employed (682)	14,982	10
Insurance Expense (684)	4,197	11
Employees Pensions and Benefits (686)	12,972	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	578	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	46,198	
Total Operation and Maintenance Expenses	87,363	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent			1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		2,297	3
PSC Remainder Assessment		192	4
Other (specify): NONE			5
Total tax expense		2,489	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	7,737		4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)	48,628		8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	56,365	0	
PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)	274,274	5,000	13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)	23,423		17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)	1,052		20
Total Pumping Plant	298,749	5,000	
WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)	175,979		22
Water Treatment Equipment (332)	1,664	3,000	23
Total Water Treatment Plant	177,643	3,000	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	6,591		24
Structures and Improvements (341)			25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			7,737	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			48,628	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	56,365	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			279,274	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			23,423	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			1,052	20
Total Pumping Plant	0	0	303,749	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			175,979	22
Water Treatment Equipment (332)			4,664	23
Total Water Treatment Plant	0	0	180,643	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			6,591	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	29,448		26
Transmission and Distribution Mains (343)	523,440	768,792	27
Fire Mains (344)			28
Services (345)	22,006	1,270	29
Meters (346)	13,794	11,047	30
Hydrants (348)	14,626	33,300	31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	609,905	814,409	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)			34
Office Furniture and Equipment (372)	1,512	3,850	35
Computer Equipment (372.1)	6,420		36
Transportation Equipment (373)	12,249	500	37
Other General Equipment (379)	6,853		38
Other Tangible Property (390)			39
Total General Plant	27,034	4,350	
Total utility plant in service directly assignable	1,169,696	826,759	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	1,169,696	826,759	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Distribution Reservoirs and Standpipes (342)			29,448	26
Transmission and Distribution Mains (343)			1,292,232	27
Fire Mains (344)			0	28
Services (345)	100		23,176	29
Meters (346)	13		24,828	30
Hydrants (348)			47,926	31
Other Transmission and Distribution Plant (349)			0	32
Total Transmission and Distribution Plant	113	0	1,424,201	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			0	34
Office Furniture and Equipment (372)			5,362	35
Computer Equipment (372.1)			6,420	36
Transportation Equipment (373)			12,749	37
Other General Equipment (379)			6,853	38
Other Tangible Property (390)			0	39
Total General Plant	0	0	31,384	
Total utility plant in service directly assignable	113	0	1,996,342	
Common Utility Plant Allocated to Water Department			0	40
Total utility plant in service	113	0	1,996,342	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			1,735	1,735	1
February			1,620	1,620	2
March			1,608	1,608	3
April			1,488	1,488	4
May			1,830	1,830	5
June			2,005	2,005	6
July			2,075	2,075	7
August			2,061	2,061	8
September			1,763	1,763	9
October			2,096	2,096	10
November			1,727	1,727	11
December			1,882	1,882	12
Total for year	0	0	21,890	21,890	
Less: Measured or estimated water used in main flushing and water treatment during year				1,332	13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				20,558	16
Less: Water sold				16,095	17
Losses and unaccounted for				4,463	18
Percent unaccounted for to the nearest whole percent (%)				22%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				406	21
Date of maximum: 6/27/1997					22
Cause of maximum:					23
CONTROL PROBLEM WITH TOWER					
Minimum gallons pumped by all methods in any one day during reporting year				0	24
Date of minimum: 11/12/1997					25
Total KWH used for pumping for the year				30,165	26
If water is purchased:Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
2992 HWY 51 SOUTH	BF973	56	16	432,000	Yes	1
WELL2	BF974	58	16	468,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	WELL 1	WELL 2		1
Location	2992 HWY 51 SOUTH	WELL 2 ROAD		2
Purpose	P	P		3
Destination	D	D		4
Pump Manufacturer	LAYNE NORTHWEST	LAYNE NORTHWEST		5
Year Installed	1965	1978		6
Type	VERTICAL TURBINE	VERTICAL TURBINE		7
Actual Capacity (gpm)	300	325		8
Pump Motor or Standby Engine Mfr	US ELECTRIC	GENERAL ELECTRIC		10
Year Installed	1965	1976		11
Type	ELECTRIC	ELECTRIC		12
Horsepower	20	20		13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25
				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	WATER TOWER		1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	ET		4
			5
Year constructed	1978		6
			7
Primary material (earthen, steel, concrete, other)	STEEL		8
			9
Elevation difference in feet (See Headnote 3.)	105		10
Total capacity in gallons	150,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID		13
			14
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE		15
			16
Filters, type (gravity, pressure, other, none)	OTHER		17
			18
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		19
			20
Is a corrosion control chemical used (yes, no)?	N		21
			22
Is water fluoridated (yes, no)?	N		23
			24
			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	6.000	13,797				13,797
M	D	8.000	25,372				25,372
M	D	10.000	910				910
M	D	12.000	15,240				15,240
Total Within Municipality			55,319	0	0	0	55,319
Total Utility			55,319	0	0	0	55,319

1
2
3
4

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	271	1	1		271	57	1
M	1.000	129	7			136	74	2
M	1.250	1				1	1	3
M	1.500	8	1			9	4	4
M	2.000	5				5		5
M	6.000	3				3	2	6
M	8.000	1				1		7
M	10.000	1				1		8
Total Utility		419	9	1	0	427	138	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	303	6	1		308	0	1
1.000	29	2			31	0	2
1.500	6				6	0	3
2.000	5				5	0	4
Total:	343	8	1	0	350	0	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	245	51	3	9			308	1
1.000	1	17	4	2		7	31	2
1.500		3	1	1		1	6	3
2.000		4		1			5	4
Total:	246	75	8	13	0	8	350	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality					0	1
Within Municipality	87				87	2
Total Fire Hydrants	87	0	0	0	87	
Flushing Hydrants						
					0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	87
Number of distribution system valves end of year:	168
Number of distribution valves operated during year:	50

WATER OPERATING SECTION FOOTNOTES

Water Utility Plant in Service (Page W-08)

THE ADDITION OF METERS AND HYDRANTS IS THE RESULT OF THE CAPITALIZATION OF COMPLETED WATER MAIN CONSTRUCTION. THE NUMBERS OF METERS AND HYDRANTS WERE REFLECTED IN PREVIOUS PSC REPORTS. THESE ADDITIONS WERE PAID WITH A FMHA GRANT AND LOAN.

Water Services (Page W-16)

NEW SERVICES ARE CHARGED A HOOK UP FEE OF \$700 WHICH IS PAID BY THE CUSTOMER. SHOULD COSTS EXCEED THAT FEE, THE DISTRICT PICKS UP THE DIFFERENCE. NO NEW DEBT WAS INCURRED FOR NEW SERVICES.

Meters (Page W-17)

THE OPERATOR DID TEST SOME METERS DURING THE YEAR, BUT DID NOT HAVE A GOOD RECORD OF THE QUANTITY TESTED. MOST OF THE METERS WERE NEW WITH THE WATER EXPANSION FUNDED BY FMHA, AS PUT ON LINE IN 1995. ONE IN SIX NEW METERS IS TESTED BEFORE INSTALLATION. THE OPERATOR PLANS TO KEEP BETTER RECORDS FOR 1998 AND UNDERTAKE A MORE AGGRESSIVE METER REPLACEMENT PROGRAM FOR THE OLDEST DISTRICT METERS.

Hydrants and Distribution System Valves (Page W-18)

THE OPERATOR PLANS TO OPERATE MORE OF THE DISTRIBUTION VALVES DURING 1998. WITH THE COMPETION OF THE WATER AND SEWER PROJECTS, THERE WAS LIMITED TIME TO PERFORM THIS PROCEDURE.
